

Commission rejects plan to drill off Santa Barbara coast

State Lands board votes 2-1 against an oil company's proposal to close four platforms, and in turn be allowed to drill new wells in state waters

By Steve Chawkins

[Los Angeles Times:](#) Reporting from Santa Barbara — It was cast as an unprecedented compromise, a deal that would allow a Texas oil company to sink new wells off the Santa Barbara coast in return for an agreement to shut down all four of its offshore platforms within 13 years.

But the State Lands Commission on Thursday killed the deal crafted by Santa Barbara's most vociferous anti-oil groups and Houston-based Plains Exploration and Production, closing the door on a plan that would have been the first approval to drill for oil in state waters since 1969.

Lt. Gov. John Garamendi, one of three members of the lands panel, said allowing any new drilling in state waters would suggest the state welcomes offshore drilling and send a come-hither message to other oil companies. His view was echoed by legislators from coastal districts, including Assemblyman Pedro Nava, who represents Santa Barbara.

Approval would have been "a message heard very, very clearly by those who call for 'drill, baby, drill,'" said Garamendi, a former Interior Department official who is running for governor.

But a parade of local officials, residents and environmental activists insisted the plan would have advanced efforts to protect the coast by eventually closing four of the region's 20 platforms.

"For the first time in history, the public and the state will be able to shut down existing oil production," argued Linda Krop, an attorney for the Environmental Defense Center and one of the people behind the proposal. "Without this project, they'll continue indefinitely -- perhaps another 40 years."

The 2-1 vote to reject the plan came after more than five hours of discussion. Joining Garamendi was state Controller John Chiang, who cast his vote without comment. Representing the state finance department, deputy director Tom Sheehy voted for the proposal, citing the revenues that would have poured into the state treasury from oil royalties.

The commission has jurisdiction over oil extracted from state lands and oversees more than a thousand wells.

Its hearing in a Santa Barbara waterfront hotel was especially charged, pitting an

odd-bedfellows alliance of environmental groups and an oil firm against Garamendi and state lawmakers who represent coastal districts. It came a day after the 40th anniversary of the disastrous Santa Barbara oil spill -- a pivotal event in the history of the region and a big-bang moment for the modern environmental movement.

The two offshore leases for Plains Exploration and Production would have been the first time drilling in California waters was approved since the spill, which fouled miles of beaches and killed thousands of seabirds. In 1994, the state banned drilling in its waters -- those within three miles of shore -- in almost all circumstances.

The complex transaction called for the oil company to donate some 4,000 acres in Santa Barbara County to be used as parkland and to shut down its platforms off the northern Santa Barbara County coast by 2022.

Santa Barbara County approved the plan without controversy last summer.

"When we see a well-thought-out opportunity to get rid of oil development off our coast, we're all over it," county Supervisor Salud Carbajal said Thursday as the packed hearing room burst into applause.

But the Lands Commission staff called the deadline unenforceable and recommended that the proposal be denied.

The company also agreed to shutter its processing plants in Lompoc and Gaviota and give the county \$1.5 million for low-emission public buses.

To the local environmental community, which has crusaded for decades against offshore oil, the biggest plum was the end-date on the leases. Generally, leases are open-ended, so companies drill for an indefinite period, cutting back when prices are low and stepping up as new technology makes it easier to tap into the ocean floor.

"This is an endgame scenario and we've always been looking for one," said Abe Powell, president of Get Oil Out!, a Santa Barbara group born in the days after the 1969 oil spill. "We've been trying to do this for four decades."

Under the proposal, the company agreed to cease operations on three of its platforms in nine years and on the fourth, known as platform Irene, in 13 years.

For the Houston-based company, the deal's sweetest feature was the new operation it hoped to launch on platform Irene. With "slant-drilling" technology, it planned to sink wells deep into the sea floor and then burrow sideways from under the federally regulated waters where Irene sits to the ocean floor under state waters.

The platforms yielded nearly one-quarter of the area's offshore oil in 2006, according to the Santa Barbara County Energy Division. But the targeted underwater oil field, known as Tranquillon Ridge after an on-shore landmark, could produce as much as 200 million barrels of

oil and 50 billion cubic feet of natural gas, the company estimated. Existing pipelines would have been used to deliver the haul to processing plants already in place on shore.

Nineteen of the 20 platforms that dot the ocean off Santa Barbara and Ventura counties are in federal waters. Shuttering four of them, says Krop of the Environmental Defense Center, would make it difficult for the federal government to lease underwater tracts accessible from those platforms.

And with closure of the two processing plants, the prospect would have been more unlikely, she said.

Gaining approval from Santa Barbara County last summer, the plan faced little public opposition until recently.

The Lands Commission's staff contended that the state might not be legally able to enforce end-dates on operations that are based in federal waters.

Ellen Aronson, a regional manager of the U.S. Minerals Management Service, said oil in the area might be tapped out by 2022 anyway. But at the hearing, she said it would be impossible to know now whether that would be the case. Under federal law, the presence of oil could obligate the company to keep drilling.

Krop disagreed, saying that the end-dates would be enforceable by numerous agencies, including Santa Barbara County, the local air pollution district and the California Coastal Commission. If it had been approved, the plan's next hurdle would have been winning Coastal Commission approval at a hearing scheduled for March in Monterey.

Whether Plains Exploration and Production would try again before the lands panel was unknown.

In a statement, Rep. Lois Capps (D-Santa Barbara) said she was "hopeful" the company could make enough changes in the plan to win approval. "I am concerned that by rejecting this innovative proposal in favor of maintaining the status quo, our coastal community is left vulnerable to endless offshore oil and gas development," she said.

Capps' opinion is not shared by members of the state Legislature.

This month, 12 legislators representing coastal districts came out against the plan, including Nava, a Democrat who is a former member of the Coastal Commission. "I'm concerned about the likelihood it would create a precedent that would be difficult to combat," he said. In a letter to Garamendi, Nava and the others said the plan "could create the perception that offshore drilling is now acceptable and safe."